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HOUSE BILL 2878
By Goins

AN ACT to amend Tennessee Code Annotated, Title 49, Chapter 3, Part 3, relative to the basic education program and equity funding for teachers' salaries.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 49, Chapter 3, Part 3, is amended by adding the following as a new, appropriately designated section:

49-3-_. True Cost Equity Funding for Instructional Salaries.

(a) Notwithstanding any other provision of law to the contrary, beginning with the 2001-2002 fiscal year, for each local education agency the Basic Education Program component for instructional salaries shall be thirty-five thousand nine hundred sixty-five dollars (\$35,965). There shall be an allocation of state funds through the basic education program salary component to move salaries to the stated target amount. It is the goal of this section to fund for all school systems the true cost of instructional salaries through the basic education program. The true cost target salary shall be fully funded no later than the fiscal year beginning July 1, 2003. Prior to the 2003-2004 fiscal year the state board of education's basic education program review committee shall

submit a recommendation for future maintenance of the instructional salary component to the senate and house education committees for consideration.

(b) All funds appropriated pursuant to this section shall be used for instructional personnel salary increases only. Local education agency expenditures or distributions of the true cost equity funding shall be determined by negotiation, where applicable, with the professional employee organization recognized pursuant to Title 49, Chapter 5, Part 6. Where no formally recognized professional employees organization exists, the board of education shall hold public hearings to take proposals from professional personnel and any professional employee organization with membership representing fifty percent (50%) or more of the professional employees in the school system. It shall be a violation of this law for any local education agency to use true cost target funding to supplant total local current operating funds.

(c) As part of the implementation of this section, each LEA shall establish a salary schedule for all certificated instructional personnel that includes an established base salary for each two hundred (200) day school year. The base salary beginning point shall be a certificated teacher with a bachelor's degree and zero (0) years of teaching experience. Certificated personnel having more training and experience shall receive more than the established base salary for beginning teachers. Annually each LEA shall submit to the commissioner a report on the LEA's payment or expenditure of salary equity funds. Each report shall include the amounts paid pursuant to the established annual salary schedule for the school year, supplements paid for extra duties, any additional compensation, salary or supplements paid for work beyond the two hundred (200) day school year, and all other compensation of any kind paid to instructional personnel during or after the regular school year. Each LEA's annual accountability budget and accountability financial report shall be available to the public within ten (10) days of the date the reports are submitted to the commissioner. The

commissioner shall be entitled to specify the form of the reports and whether additional reports or documentation will be required.

(d) During implementation of the salary equity program outlined in this section, no member of any LEA's instructional staff shall suffer a reduction in salary from one year to the next. The local board of education shall be allowed to adjust the salaries of one (1) or more certificated employees when it becomes necessary for the LEA to place one (1) or more salaries in a fairer relationship to the salaries of other certificated personnel with comparable tenure, responsibility, training and experience. Such adjustments shall only be made after the LEA has held a public hearing with the affected personnel and reported the results of the hearing to the commissioner. Actual reductions of instructional staff salaries shall become effective only after the commissioner completes a full review of the facts and circumstances and gives written authorization for the reduction. This procedure shall not be used to reduce, modify or adjust any salary, supplement or wage that has been negotiated or protected pursuant to the provisions of Title 49, Chapter 5, Part 6.

(e) At the close of each fiscal year, any unexpended balance of salary equity funds appropriated pursuant to this section shall be carried forward into the subsequent fiscal year and shall be budgeted and expended for salary increase purposes. Nothing about this section shall be construed to be a limitation or constraint on the bargaining of negotiated salary schedules in LEA's with a recognized professional employees organization.

(f) Nothing in this section shall prevent any LEA from supplementing salaries from its own local funds. Any board of education may increase the salaries, supplements and wages of its employees at any time during the course of a school year upon the basis of a new or amended contract or renegotiations, if in so doing the LEA does not exceed its budget as adopted or amended. Unless such funds are specifically

appropriated for salary increases, no LEA shall increase salaries of existing personnel by using state funds appropriated for public education that have been allocated for new or additional positions.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.